

Union Calendar No. 360

103D CONGRESS  
2D SESSION

**H. R. 4752**

[Report No. 103-663]

**A BILL**

To amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes.

AUGUST 3, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1994

Mr. SHARP introduced the following bill; which was referred to the Committee on Energy and Commerce

AUGUST 3, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 13, 1994]

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## A BILL

To amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       *This Act may be cited as the “Energy Policy and*  
3 *Conservation Act Amendments of 1994”.*

4 **SEC. 2. TABLE OF CONTENTS AND STATEMENT OF PUR-**  
5 **POSES.**

6       *(a)(1) In the table of contents of the Energy Policy*  
7 *and Conservation Act, strike the items relating to sections*  
8 *102, 153, 155, 158, and 164, and strike the items relating*  
9 *to parts A and C of title II.*

10       *(2) The item in the table of contents of the Energy*  
11 *Policy and Conservation Act relating to section 159 is*  
12 *amended to read as follows:*

*“Sec. 159. Development, operations, and maintenance of the Reserve.”.*

13       *(3) The item in the table of contents of the Energy*  
14 *Policy and Conservation Act relating to section 165 is*  
15 *amended to read as follows:*

*“Sec. 165. Reports.”.*

16       *(b) Section 2 of the Energy Policy and Conservation*  
17 *Act (42 U.S.C. 6201) is amended—*

18               *(1) in paragraph (1) by striking “standby au-*  
19 *thority to the President, subject to congressional re-*  
20 *view, to impose rationing, to reduce demand for en-*  
21 *ergy through the implementation of energy conserva-*  
22 *tion plans, and” and inserting in lieu thereof “au-*  
23 *thority to the President”; and*

1           (2) by striking paragraphs (3) and (6) and re-  
 2           designating paragraphs (4), (5), (7), and (8) as para-  
 3           graphs (3), (4), (5), and (6), respectively.

4   **SEC. 3. TITLE I AMENDMENTS.**

5           Title I of the Energy Policy and Conservation Act is  
 6   amended—

7           (1) by striking section 102 (42 U.S.C. 6211);

8           (2) in section 151 (42 U.S.C. 6231)—

9                   (A) in subsection (a) by striking “limited”  
 10           and by striking “short-term”; and

11                   (B) by amending subsection (b) to read as  
 12           follows:

13           “(b) It is the policy of the United States to provide  
 14   for the creation of a Strategic Petroleum Reserve for the  
 15   storage of up to 1,000,000,000 barrels of petroleum products  
 16   to reduce the impact of disruptions in supplies of petroleum  
 17   products or to carry out obligations of the United States  
 18   under the international energy program.”;

19           (3) in section 152 (42 U.S.C. 6232)—

20                   (A) by striking paragraph (1) and redesign-  
 21           nating paragraphs (2) through (11) as para-  
 22           graphs (1) through (10), respectively; and

23                   (B) in paragraph (10) (as so redesignated  
 24           by subparagraph (A) of this paragraph) by strik-  
 25           ing “, the Early Storage Reserve”;

1           (4) by striking section 153 (42 U.S.C 6233);

2           (5) in section 154 (42 U.S.C. 6234)—

3                 (A) by amending subsection (a)(1) to read  
4                 as follows:

5                 “(a)(1) A Strategic Petroleum Reserve for the storage  
6 of up to 1,000,000,000 barrels of petroleum products shall  
7 be created pursuant to this part.”;

8                 (B) in subsection (a)(2)(D), by striking  
9                 “160(h)” and inserting in lieu thereof “160(e)”;

10                (C) by amending subsection (b) to read as  
11                follows:

12                “(b) The Secretary, acting through the Strategic Petro-  
13 leum Reserve Office and in accordance with this part, shall  
14 exercise authority over the development, operation, and  
15 maintenance of the Reserve.”;

16                (D) by amending subsection (c) to read as  
17                follows:

18                “(c) The Secretary, not later than 6 months after the  
19 date of enactment of this subsection, and every two years  
20 thereafter, shall prepare and transmit to the Congress a  
21 Strategic Petroleum Reserve Operating and Readiness  
22 Plan. Such plan shall describe the long-range operational,  
23 maintenance, refurbishment, product replacement, testing,  
24 withdrawal and distribution, and readiness requirements

1 *to enable the implementation of the policy declared in sec-*  
2 *tion 151.”; and*

3 *(E) by striking subsections (d) and (e).*

4 *(6) by striking section 155 (42 U.S.C. 6235);*

5 *(7) in section 156(b) (42 U.S.C. 6236(b)) by*  
6 *striking “To implement the Early Storage Reserve*  
7 *Plan or the Strategic Petroleum Reserve Plan which*  
8 *has taken effect pursuant to section 159(a), the” and*  
9 *inserting in lieu thereof “The”;*

10 *(8) by amending section 157 (42 U.S.C 6237)—*

11 *(A) in subsection (a), by striking “The*  
12 *Strategic Petroleum Reserve Plan shall provide*  
13 *for the establishment and maintenance of” and*  
14 *inserting in lieu thereof “The Secretary shall es-*  
15 *tablish and maintain as part of the Strategic*  
16 *Petroleum Reserve”;* and

17 *(B) in subsection (b), by striking “To im-*  
18 *plement the Strategic Petroleum Reserve Plan,*  
19 *the Secretary shall accumulate and maintain”*  
20 *and inserting in lieu thereof “The Secretary*  
21 *shall establish and maintain as part of the Stra-*  
22 *tegic Petroleum Reserve”;*

23 *(9) by striking section 158 (42 U.S.C 6238);*

24 *(10) in section 159 (42 U.S.C. 6239)—*

1                   (A) by amending the section head to read as  
2                   *follows:*

3                   “*DEVELOPMENT, OPERATIONS, AND MAINTENANCE OF THE*  
4   *RESERVE*”;

5                   (B) by striking subsections (a), (b), (c), (d),  
6                   (e), (h), and (i), and redesignating subsections  
7                   (f), (g), (j), (k), and (l) as subsections (a), (b),  
8                   (c), (d), and (e), respectively;

9                   (C) by amending subsection (a) (as so redes-  
10                   ignated by subparagraph (B) of this paragraph)  
11                   to read as follows:

12                   “(a) In order to develop, operate, or maintain the  
13                   Strategic Petroleum Reserve, the Secretary may—

14                                   “(1) issue rules, regulations, or orders;

15                                   “(2) acquire by purchase, condemnation, or oth-  
16                   erwise, land or interests in land for the location of  
17                   storage and related facilities;

18                                   “(3) construct, purchase, lease, or otherwise ac-  
19                   quire storage and related facilities;

20                                   “(4) use, lease, maintain, sell, or otherwise dis-  
21                   pose of storage and related facilities acquired under  
22                   this part, under such terms and conditions as the Sec-  
23                   retary considers necessary and appropriate;

24                                   “(5) acquire, subject to the provisions of section  
25                   160, by purchase, exchange, or otherwise, petroleum

1     *products for storage in the Strategic Petroleum Re-*  
2     *serve, including the Regional Petroleum Reserve;*

3             *“(6) store petroleum products in storage facilities*  
4     *owned and controlled by the United States or in stor-*  
5     *age facilities owned by others if those facilities are*  
6     *subject to audit by the United States;*

7             *“(7) execute any contracts necessary to develop,*  
8     *operate, or maintain the Strategic Petroleum Reserve;*

9             *“(8) require an importer of petroleum products*  
10    *or refiner to acquire and to store and maintain, in*  
11    *readily available inventories, petroleum products in*  
12    *the Industrial Petroleum Reserve, under section 156;*

13            *“(9) require the storage of petroleum products in*  
14    *the Industrial Petroleum Reserve, under section 156,*  
15    *on such reasonable terms as the Secretary may speci-*  
16    *fy, in storage facilities owned and controlled by the*  
17    *United States or in storage facilities other than those*  
18    *owned by the United States if those facilities are sub-*  
19    *ject to audit by the United States;*

20            *“(10) require the maintenance of the Industrial*  
21    *Petroleum Reserve; and*

22            *“(11) bring an action, when the Secretary con-*  
23    *siders it necessary, in any court having jurisdiction*  
24    *over the proceedings, to acquire by condemnation any*  
25    *real or personal property, including facilities, tem-*



1       porary use of facilities, or other interests in land, to-  
2       gether with any personal property located on or used  
3       with the land.”;

4               (D) in subsection (b) (as so redesignated by  
5       subparagraph (B) of this paragraph)—

6               (i) by striking “implementation” and  
7       inserting in lieu thereof “development”; and

8               (ii) by striking “Plan”;

9               (E) by amending subsection (c) (as so redesi-  
10      gnated by subparagraph (B) of this paragraph)  
11      to read as follows:

12      “(c) When the Secretary determines that a 750,000,000  
13      barrel inventory can reasonably be expected to be reached  
14      in the Reserve within 5 years, the Secretary shall submit  
15      to the Congress a plan for expansion of the Strategic Petro-  
16      leum Reserve to a capacity of 1,000,000,000 barrels.”; and

17              (F) by amending subsection (e) (as so redesi-  
18      gnated by subparagraph (B) of this paragraph)  
19      to read as follows:

20      “(e) During any period in which drawdown and dis-  
21      tribution are being implemented, the Secretary may issue  
22      rules, regulations, or orders to implement the drawdown  
23      and distribution of the Strategic Petroleum Reserve, with-  
24      out regard to the requirements of section 553 of title 5,

1 *United States Code, and section 501 of the Department of*  
2 *Energy Organization Act (42 U.S.C. 7191).”;*

3 *(11) in section 160 (42 U.S.C. 6240)—*

4 *(A) in subsection (a), by striking “The Sec-*  
5 *retary” and all that follows through “transport,*  
6 *or exchange” and inserting in lieu thereof “For*  
7 *the purpose of implementing the Strategic Petro-*  
8 *leum Reserve, the Secretary may acquire, place*  
9 *in storage, transport, or exchange”;*

10 *(B) in subsection (b)—*

11 *(i) by striking “, including the Early*  
12 *Storage Reserve”; and*

13 *(ii) by striking paragraph (2) and re-*  
14 *designating paragraphs (3) through (5) as*  
15 *paragraphs (2) through (4), respectively;*  
16 *and*

17 *(C) by striking subsections (c), (d), and (e)*  
18 *and redesignating subsections (f), (g), and (h) as*  
19 *subsections (c), (d), and (e), respectively;*

20 *(12) in section 161 (42 U.S.C. 6241)—*

21 *(A) by striking subsections (b) and (c) and*  
22 *redesignating subsections (d) through (i) as sub-*  
23 *sections (b) through (g), respectively;*

1                   (B) by amending subsection (b)(1) (as so re-  
2                   designated by subparagraph (A) of this para-  
3                   graph) to read as follows:

4                   “(b)(1) No drawdown and distribution of the Strategic  
5                   Petroleum Reserve may be made unless the President has  
6                   found drawdown and distribution is required by a severe  
7                   energy supply interruption or by obligations of the United  
8                   States under the international energy program.”;

9                   (C) by amending subsection (c) (as so redes-  
10                  ignated by subparagraph (A) of this paragraph)  
11                  to read as follows:

12                  “(c)(1) The Secretary shall sell any petroleum product  
13                  withdrawn from the Strategic Petroleum Reserve at public  
14                  sale to the highest qualified bidder in the amounts and for  
15                  the period the Secretary considers appropriate, and after  
16                  a notice of sale the Secretary considers appropriate.

17                  “(2) The Secretary may cancel in whole or in part  
18                  any offer to sell petroleum products as part of any  
19                  drawdown and distribution under this section.”; and

20                  (D) in subsection (e) (as so redesignated by  
21                  subparagraph (A) of this paragraph)—

22                         (i) in paragraph (1), by striking “Dis-  
23                         tribution Plan” and inserting in lieu there-  
24                         of “distribution procedures”;

1                   (ii) by striking paragraphs (2) and (6)  
2                   and redesignating paragraphs (3), (4), (5),  
3                   (7), and (8) as paragraphs (2), (3), (4), (5),  
4                   and (6), respectively; and

5                   (iii) in subsection (f)(1)(A) (as so re-  
6                   designated by subparagraph (A) of this  
7                   paragraph) by striking “subsection (d)”  
8                   and inserting in lieu thereof “subsection  
9                   (b)”;

10                  (13) by striking section 164 (42 U.S.C. 6244);

11                  (14) by amending section 165 (42 U.S.C. 6245)

12                  to read as follows:

13                                 “REPORTS

14                  “SEC. 165. The Secretary shall, not later than 6  
15                  months after the date of enactment of the Energy Policy  
16                  and Conservation Act Amendments of 1994, and every 6  
17                  months thereafter, transmit a report to the President and  
18                  the Congress on—

19                                 “(1) the status of the physical capacity of the Re-  
20                                 serve and the type and quantity of petroleum in the  
21                                 Reserve;

22                                 “(2) an estimate of the schedule and cost to com-  
23                                 plete planned equipment upgrade or capital invest-  
24                                 ment in the Reserve, including those carried out as  
25                                 part of operational maintenance or extension of life  
26                                 activities;

1           “(3) an identification of any life-limiting condi-  
2           tions or operational problems at any Reserve facility,  
3           and proposed remedial actions including an estimate  
4           of the schedule and cost of implementing such reme-  
5           dial actions;

6           “(4) a description of current withdrawal and  
7           distribution rates and capabilities, and an identifica-  
8           tion of any operational or other limitations on such  
9           rates and capabilities;

10          “(5) an identification of purchases of petroleum  
11          made in the preceding 6 months and planned in the  
12          following 6 months, including quantity, price, and  
13          type of petroleum;

14          “(6) a summary of the actions taken to develop,  
15          operate, and maintain the Reserve;

16          “(7) a summary of the financial status and fi-  
17          nancial transactions of the Strategic Petroleum Re-  
18          serve and Strategic Petroleum Reserve Petroleum Ac-  
19          counts for the preceding 6 months;

20          “(8) a summary of operating and capital ex-  
21          penses for the preceding 6 months, and the number of  
22          Federal and contractor employees;

23          “(9) the status of contracts for development, op-  
24          eration, maintenance, distribution, and other activi-  
25          ties related to the implementation of this part; and

1           “(10) any recommendations for supplemental  
2       legislation or policy or operational changes the Sec-  
3       retary considers necessary and appropriate to imple-  
4       ment this part.”;

5           (15) by amending section 166 (42 U.S.C. 6246)  
6       to read as follows:

7           “AUTHORIZATION OF APPROPRIATIONS

8           “SEC. 166. There are authorized to be appropriated  
9       such sums as may be necessary to implement this part.”;

10          (16) in section 167 (42 U.S.C. 6247)—

11           (A) in subsection (b)—

12               (i) by inserting “test sales of petroleum  
13               products from the Reserve,” after “Strategic  
14               Petroleum Reserve,”;

15               (ii) by striking paragraph (1) and re-  
16               designating paragraphs (2) and (3) as  
17               paragraphs (1) and (2), respectively;

18               (iii) in paragraph (1) (as so redesign-  
19               ated by clause (ii) of this subsection) by  
20               striking “after fiscal year 1982”; and

21               (iv) in paragraph (2) (as so redesign-  
22               ated by clause (ii) of this subsection) by  
23               striking “160(f)” and inserting in lieu  
24               thereof “160(c)”;

25           (B) in subsection (d), by striking “160(f)”  
26       and inserting in lieu thereof “160(c)”; and

1                   (C) by amending subsection (e) to read as  
2                   follows:

3           “(e) The Impoundment Control Act of 1974 (2 U.S.C.  
4 681–688) shall apply to funds made available under sub-  
5 section (b).”;

6           (17) in section 171(b)(2)(B) (42 U.S.C.  
7 6249(b)(2)(B)) by inserting “, as such section was in  
8 effect before the date of enactment of the Energy Pol-  
9 icy and Conservation Act Amendments of 1994,” after  
10 “section 154(e)”;

11           (18) in section 172 (42 U.S.C. 6249a) by strik-  
12 ing subsections (a) and (b) and redesignating sub-  
13 sections (c) and (d) as subsections (a) and (b), respec-  
14 tively; and

15           (19) in section 181 (42 U.S.C. 6251) by striking  
16 “1994” both places it appears and inserting in lieu  
17 thereof “1999”.

18 **SEC. 4. TITLE II AMENDMENTS.**

19           Title II of the Energy Policy and Conservation Act  
20 is amended—

21           (1) by striking part A (42 U.S.C. 6261 through  
22 6264);

23           (2) in section 251(e)(1) (42 U.S.C. 6271(e)(1))  
24 by striking “252(l)(1)” and inserting in lieu thereof  
25 “252(k)(1)”;

1           (3) *in section 252 (42 U.S.C. 6272)—*

2                 (A) *in subsections (a)(1) and (b), by strik-*  
3 *ing “allocation and information provisions of*  
4 *the international energy program” and inserting*  
5 *in lieu thereof “international emergency response*  
6 *provisions”;*

7                 (B) *in subsection (d)(3), by striking “known*  
8 *circumstances” and inserting in lieu thereof*  
9 *“circumstances known at the time of approval”;*

10                (C) *in subsection (f)(2) by inserting “vol-*  
11 *untary agreement or” after “approved”;*

12                (D) *in subsection (i) by inserting “annu-*  
13 *ally, and at least” after “least” and by inserting*  
14 *“during an international energy supply emer-*  
15 *gency” after “months”;*

16                (E) *in subsection (k) by amending para-*  
17 *graph (2) to read as follows:*

18                “(2) *The term ‘international emergency response*  
19 *provisions’ means—*

20                         “(A) *the provisions of the international en-*  
21 *ergy program which relate to international allo-*  
22 *cation of petroleum products and to the informa-*  
23 *tion system provided in the program; and*

24                         “(B) *the emergency response measures*  
25 *adopted by the Governing Board of the Inter-*



1        *national Energy Agency (including the July 11,*  
2        *1984, decision by the Governing Board on*  
3        *‘Stocks and Supply Disruptions’) for—*

4                *“(i) the coordinated drawdown of*  
5                *stocks of petroleum products held or con-*  
6                *trolled by governments; and*

7                *“(ii) complementary actions taken by*  
8                *governments,*  
9        *during an existing or impending international*  
10        *oil supply disruption.”; and*

11                *(F) by amending subsection (l) to read as*  
12        *follows:*

13        *“(l) The antitrust defense under subsection (f) shall not*  
14        *extend to the international allocation of petroleum products*  
15        *unless allocation is required by chapters III and IV of the*  
16        *international energy program during an international en-*  
17        *ergy supply emergency.”;*

18                *(4) by adding at the end of section 256(h) (42*  
19        *U.S.C. 6276(h)) “There are authorized to be appro-*  
20        *priated for fiscal years 1996 through 1999 such sums*  
21        *as may be necessary to carry out this part.”;*

22                *(5) by striking part C (42 U.S.C. 6281 through*  
23        *6282); and*

1           (6) in section 281 (42 U.S.C. 6285), by striking  
2           “1994” each place it appears and inserting in lieu  
3           thereof “1999”.

4   **SEC. 5. MISCELLANEOUS ADDITIONAL AMENDMENTS.**

5           (a) Title III of the Energy Policy and Conservation  
6   Act is amended—

7           (1) in section 365(f) (42 U.S.C. 6325(f)) by  
8           amending paragraph (1) to read as follows:

9           “(1) Except as provided in paragraph (2), for the pur-  
10   pose of carrying out this part, there are authorized to be  
11   appropriated for fiscal years 1995 through 1999 such sums  
12   as may be necessary.”; and

13           (2) by amending section 397 (42 U.S.C. 6371f)  
14   to read as follows:

15           “AUTHORIZATION OF APPROPRIATIONS

16           “SEC. 397. For the purpose of carrying out this part,  
17   there are authorized to be appropriated for fiscal years 1995  
18   through 1999 such sums as may be necessary.”.

19           (b) Section 507 of the Energy Policy and Conservation  
20   Act (42 U.S.C. 6385) is amended by striking “, which was  
21   collected” and all that follows through “Information Ad-  
22   ministration”.

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